

Union Calendar No. 129

104TH CONGRESS
1ST SESSION

H. R. 1594

[Report No. 104-238]

A BILL

To place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans.

SEPTEMBER 1, 1995

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

MAY 9, 1995

Mr. SAXTON (for himself, Mr. ARMEY, Mr. HASTERT, Mr. ISTOOK, Mrs. KELLY, Mrs. SEASTRAND, Mr. HASTINGS of Washington, Mr. HOKE, Mr. COX of California, Mr. MANZULLO, Mr. EWING, Mr. SANFORD, Mr. LAHOOD, Mrs. MEYERS of Kansas, Mr. STUMP, Mr. SCARBOROUGH, Mr. UPTON, Mr. HEINEMAN, Mr. LARGENT, Mr. SMITH of Texas, Mr. THORNBERRY, Mr. DOOLITTLE, Mr. EHRLICH, Mr. ROHRABACHER, Mr. CUNNINGHAM, Mr. SALMON, Mr. BARTLETT of Maryland, Mr. BOEHNER, Mr. MILLER of Florida, Mrs. CHENOWETH, Mr. HERGER, Mr. BARTON of Texas, Mr. LATHAM, Mr. LIVINGSTON, Mr. GEKAS, Mr. HILLEARY, Mr. TALENT, Mr. WALSH, and Mr. DELAY) introduced the following bill; which was referred to the Committee on Economic and Educational Opportunities

SEPTEMBER 1, 1995

Additional sponsors: Mr. RAMSTAD, Mr. SOLOMON, Mr. CHRISTENSEN, Mr. CHABOT, Mr. FOLEY, Mr. BALLENGER, Mr. LOBIONDO, Mr. ENGLISH of Pennsylvania, Mr. KNOLLENBERG, Mr. EMERSON, Mr. LINDER, Mr. ZIMMER, Mr. SHADEGG, Mr. WELDON of Pennsylvania, Mr. ARCHER, Mr. HAYWORTH, Mr. HANCOCK, Mr. COBLE, Mrs. WALDHOLTZ, Mr. INGLIS of South Carolina, Mr. HEFLEY, Mr. TAYLOR of North Carolina, Mr. BURTON of Indiana, Mr. MARTINI, Mr. SENSENBRENNER, Mr. NORWOOD, Mr. DORNAN, Mr. BAKER of California, Mr. BUNNING of Kentucky, Mr. HOBSON, Mr. SCHAEFER, Mr. CRAPO, Mr. GOSS, Mr. FORBES, Mr. KOLBE, Mr. CHAMBLISS, Mr. HOSTETTLER, Mr. ZELIFF, Mr. BONILLA, Mr. WELDON of Florida, Mr. METCALF, Mr. PACKARD, Mr. WELLER, Mr. SAM JOHNSON of Texas, Mr. DUNCAN, Mr. HOEKSTRA, Mr. BASS, Mr. FOX of Pennsylvania, Mr. ROYCE, Mr.

GUTKNECHT, Mr. CHRYSLER, Mr. BLILEY, Mr. NEY, Mr. BUYER, Mr. THOMAS, Mr. BAKER of Louisiana, Mr. FIELDS of Texas, Ms. PRYCE, Mr. ALLARD, Mr. GOODLATTE, Mr. FAWELL, Mr. GOODLING, Mr. FUNDERBURK, Mr. SKEEN, Mr. HORN, Mr. CALVERT, and Mr. GILCHREST

SEPTEMBER 1, 1995

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 9, 1995]

A BILL

To place restrictions on the promotion by the Department of Labor and other Federal agencies and instrumentalities of economically targeted investments in connection with employee benefit plans.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SENSE OF THE CONGRESS.**

4 *It is the sense of the Congress that it is inappropriate*
 5 *for the Department of Labor, as the principal enforcer of*
 6 *fiduciary standards in connection with employee pension*
 7 *benefit plans and employee welfare benefit plans (as defined*
 8 *in paragraphs (1) and (2) of section 3 of the Employee Re-*
 9 *tirement Income Security Act of 1974 (29 U.S.C. 1002(1),*
 10 *(2))), to take any action to promote or otherwise encourage*
 11 *economically targeted investments.*

1 **SEC. 2. PROHIBITIONS ON DEPARTMENT OF LABOR RE-**
2 **GARDING ECONOMICALLY TARGETED INVEST-**
3 **MENTS.**

4 (a) *IN GENERAL.*—Interpretive Bulletin 94–1, issued
5 by the Secretary of Labor on June 23, 1994 (59 Fed. Reg.
6 32606; 29 C.F.R. 2509.94–1), is null and void and shall
7 have no force or effect. The provisions of the Employee Re-
8 tirement Income Security Act of 1974 (29 U.S.C. 1001 et
9 seq.) shall be interpreted and enforced without regard to
10 such Interpretive Bulletin.

11 (b) *RESTRICTIONS ON DEPARTMENT OF LABOR REGU-*
12 *LATIONS.*—The Secretary of Labor may not issue any rule,
13 regulation, or interpretive bulletin which promotes or other-
14 wise encourages economically targeted investments as a
15 specified class of investments.

16 (c) *RESTRICTIONS ON ACTIVITIES OF THE DEPART-*
17 *MENT OF LABOR.*—No officer or employee of the Depart-
18 ment of Labor may travel, lecture, or otherwise expend re-
19 sources available to such Department for the purpose of pro-
20 moting, directly or indirectly, economically targeted invest-
21 ments.

22 (d) *ECONOMICALLY TARGETED INVESTMENT DE-*
23 *FINED.*—For purposes of this section, the term “economi-
24 cally targeted investment” has the meaning given such term
25 in Interpretive Bulletin 94–1, as issued by the Secretary

1 *of Labor on June 23, 1994 (59 Fed. Reg. 32606; 29 C.F.R.*
 2 *2509.94–1).*

3 ***SEC. 3. PROHIBITION ON FEDERAL AGENCIES AGAINST ES-***
 4 ***TABLISHING OR MAINTAINING ANY CLEAR-***
 5 ***INGHOUSE OR OTHER DATABASE RELATING***
 6 ***TO ECONOMICALLY TARGETED INVEST-***
 7 ***MENTS.***

8 *(a) IN GENERAL.—Part 5 of subtitle B of title I of*
 9 *the Employee Retirement Income Security Act of 1974 (29*
 10 *U.S.C. 1131 et seq.) is amended by adding at the end the*
 11 *following new section:*

12 *“PROHIBITION ON FEDERAL AGENCIES AGAINST ESTAB-*
 13 *LISHING OR MAINTAINING ANY CLEARINGHOUSE OR*
 14 *OTHER DATABASE RELATING TO ECONOMICALLY TAR-*
 15 *GETED INVESTMENTS*

16 *“SEC. 516. (a) IN GENERAL.—No agency or instru-*
 17 *mentality of the Federal Government may establish or*
 18 *maintain, or contract with (or otherwise provide assistance*
 19 *to) any other party to establish or maintain, any clearing-*
 20 *house, database, or other listing—*

21 *“(1) for the purpose of making available to em-*
 22 *ployee benefit plans information on economically tar-*
 23 *geted investments,*

24 *“(2) for the purpose of encouraging, or providing*
 25 *assistance to, employee benefit plans or any other*

1 *party related to an employee benefit plan to under-*
 2 *take or evaluate economically targeted investments, or*
 3 *“(3) for the purpose of identifying economically*
 4 *targeted investments with respect to which such agen-*
 5 *cy or instrumentality will withhold from undertaking*
 6 *enforcement actions relating to employee benefit plans*
 7 *under any otherwise applicable authority of such*
 8 *agency or instrumentality.*

9 *“(b) ECONOMICALLY TARGETED INVESTMENT DE-*
 10 *FINED.—For purposes of this section, the term ‘economi-*
 11 *cally targeted investment’ has the meaning given such term*
 12 *in Interpretive Bulletin 94–1, as issued by the Secretary*
 13 *on June 23, 1994 (59 Fed. Reg. 32606; 29 C.F.R.*
 14 *2509.94–1).”.*

15 *(b) CLERICAL AMENDMENT.—The table of contents in*
 16 *section 1 of such Act is amended by inserting at the end*
 17 *of the items relating to part 5 of subtitle B of title I the*
 18 *following new item:*

*“Sec. 516. Prohibition on Federal agencies against establishing or maintaining
 any clearinghouse or other database relating to economically tar-
 geted investments.”.*

19 **SEC. 4. TERMINATION OF CONTRACTS.**

20 *The head of each agency and instrumentality of the*
 21 *Government of the United States shall immediately take*
 22 *such actions as are necessary and appropriate to terminate*
 23 *any contract or other arrangement entered into by such*
 24 *agency or instrumentality which is in violation of the re-*

1 *quirements of the provisions of this Act or the amendments*
2 *made thereby.*

3 ***SEC. 5. EFFECTIVE DATE.***

4 *The preceding provisions of this Act (and the amend-*
5 *ments made thereby) shall take effect on the date of the en-*
6 *actment of this Act.*